

Indiana Department of Commerce
Neighborhood Assistance Program 2002-2003
Application Cover Page

Program Objective:

The Neighborhood Assistance Program (NAP) is a tool provided to not-for-profit corporations that help leverage private donations for Indiana Department of Commerce approved programs and projects.

Eligible programs or projects must benefit a 100% economically disadvantaged population or neighborhood.

Required Information: Your application will fail threshold if it does not contain proof of the following not-for-profit certifications.

- ❖ 501© status with the Internal Revenue Service
- ❖ Tax-exempt status with the Indiana Department of Revenue
- ❖ Recent report to demonstrate good standing with the Indiana Secretary of State
- ❖ Separation of church and state agreement for religious intent (if applicable)

Application Format:

Neighborhood Assistance Program (NAP) applications must be submitted with all attachments and appendices indexed and tabbed, and all pages numbered and in order. When referencing a particular attachment or appendix in the narrative portion of the application, you must also reference the particular attachment, appendix or page number. ***Do not omit any attachments specifically addressed in this application form.***

Applicant may create more typing space in blank areas for each question. ***However, you must keep the questions in the same order. All applications must be submitted in the following format:***

- 1. Narrative application**
- 2. Attachments**
- 3. Appendices**

Important Notice: Be aware of common mistakes made by applicants that result in lower scores.

- ❖ Insufficient documentation of service gap/need for the particular NAP program/project
- ❖ NAP program/project budget line items that lack explanation and detail (eligible line items such as salaries for programs and construction materials for projects)
- ❖ Lack of evidence for secured local financial commitment to complete program/project (that which is not a NAP donation)
- ❖ Outdated and vague letters of support; lack of support from appropriate authorities

The Community Development Division of the Indiana Department of Commerce must receive one original and two copies of this application no later than 5:00 p.m. (Indianapolis time), May 2, 2003 (postmarks will not be accepted).

Indiana Department of Commerce
Neighborhood Assistance Program 2002-2003
Attachment Checklist

The following attachments should be tabbed and included after the entire narrative portion of this application:

Page One: Section A

- Attachment A1 Proof of not-for-profit status with the Internal Revenue Service (**copy of determination letter**)
- Attachment A2 Proof of tax-exempt status with the Indiana Dept. of Revenue (**State Form IT-35E**)
- Attachment A3 Proof of good-standing with the Indiana Sec. of State (**State Form 48725**)

Page One: Section B

- No attachments required

Page Two: Section C

- Attachment C1 Benefit Area: Documentation for unemployment rate
Benefit Area: Documentation for median income
- Attachment C2 Beneficiaries: Documentation for target population
Beneficiaries: Documentation for median income

Page Three: Section D

- No attachments required

Page Four: Section E

- Attachment E1 Project Need Question 1, service gap documentation
- Attachment E2 Project Need Question 2, addressing need documentation
- Attachment E3 Project Need Question 3, sole provider/partnership documentation
- Attachment E4 Project Need Question 4, top priority

Page Five: Section F

- Attachment F1 Current year (2002) operating budget
- Attachment F2 Last year's financial statements
(audited statements will result in a higher score)
- Attachment F3 Documentation of local financial commitment for program/project completion
- Attachment F4 Additional justification for NAP budget
(estimates, salary scales or research, etc.)

Page Six: Section G

- Attachment G1 Letters of support (for Questions 1 & 2)
- Attachment G2 Program/Project Timeline
- Attachment G3 Marketing tools, etc. (if no materials are given, leave blank)
- Attachment G4 NAP pledge/donor history list
- Attachment G5 Documentation of awards and grants
- Attachment G6 Credentials, resumes, etc. for staff and personnel

Indiana Department of Commerce
Neighborhood Assistance Program 2002-2003
Appendix List

Appendices should be tabbed with numbers

1. Copy of deed, lease, or agreement for land, homes, or facilities (if project will include renovation or construction)
2. A list of Board of Directors and their affiliations
3. A list of the organization's current employees
4. For organization with operating budgets of less than \$100,000, a copy of the organization's most recent IRS Form 990 or Form 990EZ
5. Entity Annual Report (E-1) form (if available)
6. A map of the project area indicating the location of the project
7. The organization's Mission/Vision statement

For assistance in obtaining not-for-profit certification forms:

Internal Revenue Service District Director: (Exempt Organizations Department)	1-877-829-5500
Indiana Department of Revenue:	317-232-2188
Indiana Secretary of State:	317-232-6576

**Indiana Department of Commerce
Neighborhood Assistance Program (NAP) Narrative Application**

Deadline: the Office of Community Assistance of the Indiana Department of Commerce must receive one original and two copies of this application no later than 5:00p.m. May 2, 2003 (Indianapolis time). NOTE: No postmarks will be accepted.

A. Applicant Information: Attachments A1-A3

Organization: _____

Contact: _____

Street Address: _____

City, County, Zip Code: _____

Phone: () _____ Fax: () _____

Email: _____

Fed. I.D.#: _____ Indiana Non-Profit #: _____

B. Program/Project Name and Brief Description: No attachments

Total NAP tax credits requested:	\$ _____	
Total leveraged funds from NAP:	\$ _____	(at least twice the NAP credits)
Total Program/Project Costs:	\$ _____	
Amount of NAP leveraged funds as a percent of total program/project cost:	_____ %	$\frac{\text{Amount of leveraged funds}}{\text{Total Project Cost}}$

- *Please address every question.*
- *Failure to address requested information could result in rejection of application.*
- *Although a completed application may require more space than is provided in this form, follow this exact format. Attach additional pages if necessary.*
- *A mandatory NAP awardees workshop will take place in July 2003.*

C. Economic Disadvantage/Threshold Criteria: **Attachments C1 & C2**

1.) The enacting statute requires that leveraged dollars from NAP credits be expended on projects that are (a) located in and benefit an economically disadvantaged area or (b) benefit a 100% economically disadvantaged or special needs population. **Please state how your proposed NAP program or project meets the economic disadvantage requirement by marking "a", "b" or "both" on the following line:** _____

Projects serving/located in an economically disadvantaged area: Maximum 30 points

----OR----

Programs benefiting a 100% economically disadvantaged population: Maximum 30 points

Special Designation District (Slum or Blighted, UEA, Empowerment): Maximum 10 points

----OR----

Other economic factors speaking to economic disadvantage: Maximum 10 points

INFORMATION ON ECONOMIC DISADVANTAGE MUST BE COLLECTED FROM STATS INDIANA

Internet Address: <http://www.stats.indiana.edu>

(a) Benefit Area

(15) What is the unemployment rate? _____

Source of information _____

(include appropriate documentation)

(15) What is the median income? _____

Source of information? _____

(include appropriate documentation)

(Attach map of proposed benefit area. Denote location of central office.)

(b) Beneficiaries

(15) Does your program/project serve a disadvantaged/special needs population?

Yes () No () *i.e. battered women, elderly, mentally/physically challenged*

Please identify the target population on the following line:

(include appropriate documentation)

(15) Is the median income of the beneficiaries below state average?

Yes () No ()

What is the median income? _____

Source of information? _____

(include appropriate documentation)

(c) Special Designation District

(10) Is the program or project located in special designation district or do beneficiaries reside in such a district? Yes () No ()

(i.e. Urban Enterprise Zone, Empowerment Zone, Enterprise Community, Main Street, Slum & Blighted Areas, etc.)

Please state designation: _____

(d) Other

(10) If there are other factors that speak to the economic disadvantage or special needs of the area or population, please explain.

D. Project Description/Timeline: **No attachments**

1.) Eligible Activities: Please check **one** of the following **eligible** activities that best describes your proposed project:

- | | |
|---|---|
| <input type="checkbox"/> Counseling service | <input type="checkbox"/> Downtown and commercial revitalization |
| <input type="checkbox"/> Medical care | <input type="checkbox"/> Recreational facilities |
| <input type="checkbox"/> Housing facilities | <input type="checkbox"/> Emergency Assistance (i.e. food banks, etc.) |
| <input type="checkbox"/> Job training | <input type="checkbox"/> Child care |

2.) Describe in greater detail the proposed NAP program/project.
(Helpful background information, etc.)

E. Project Need: **Attachments E1-E4**

Please be sure to answer each question thoroughly. Provide documentation as an attachment when requested.

- (50) 1.) How has your organization determined that a need and/or service gap exists for this particular program/project in your area? (i.e. surveys, statistical/university studies, board resolutions, needs assessments, market studies, petitions, minutes for public meetings, newspaper articles, endorsements from relevant agencies, etc.)
*Document the service gap or need for project completion by attaching relevant documentation

*Identification of specific groups/persons who will benefit from the program or project will result in a higher score.

Attachment E1

- (25) 2.) Will the proposed NAP program or project address a basic need (physical or mental health, food or shelter) of the program/project beneficiaries? Please explain with relevant documentation. **Attachment E2**

- (25) 3.) Is your organization the sole provider of the proposed service or project? If yes, please demonstrate with narrative and supporting documentation. If not, demonstrate (through narrative and supporting documentation) that there is a demand for the proposed service/project despite similar services/programs in your area. **Attachment E3**

- (25) 4.) Demonstrate that this program/project is a top priority for your organization. How does the intended program/project support your organization's long-term planning? (Include relevant portions of strategic plan, vision statement, etc.) **Attachment E4**

(45) I. Current Financial Status:

(20) 1.) Provide your organization's operating budget for the current year as well as last year's financial statements as an attachment. (Please note that audited financial statements are preferred). If you feel that the operating budget does not accurately illustrate your organization's financial situation, please provide additional explanation.

Attachments F1 & F2

(25) 2.) Provide support documentation of local financial commitment for the proposed NAP program/project. (Please remember funds described here are NOT those dollars leveraged with NAP credits, but are those dollars used to complete the total project cost)

NOTE: If proposed NAP leveraged dollars will be used to match specific IHFA HOME and IHFA CDBG program funds, verification and descriptions of such awards must be included in this section.

Points will be awarded based on the remaining percentage of funds committed from local sources (Ex. NAP request of \$50,000 will leverage \$100,000 for a \$1,000,000 project, so a 90% funding gap remains)

Attachment F3

NAP request as a percentage of total program or project: _____% (should be same figure as Page One)

Remaining percentage: _____%

- _____ 5 pts. Applicant documents that 0 to 20% of remaining amount is committed
- _____ 10 pts. Applicant documents that 21 to 40% of remaining amount is committed
- _____ 15 pts. Applicant documents that 41 to 60% of remaining amount is committed
- _____ 20 pts. Applicant documents that 61 to 80% of remaining amount is committed
- _____ 25 pts. Applicant documents that 81 to 100% of remaining amount is

(50) II. Projected NAP Program/Project Cost: Use this section to further explain NAP program/project budget.

(35) 1.) Applicants will be scored on whether the budget adds up; whether NAP-leveraged dollars equal at least 2 times the NAP credits requested; whether a unit cost is determined for each line item in the "explanation" section, especially those that will be paid for by NAP-leveraged dollars; and whether the budget is consistent with other narrative portions of the application. Please provide a narrative explanation in this section if necessary.

(15) 2.) Provide additional information that further documents the justification for the NAP budget (estimates, bids, etc.). If costs are for program staff please include salary justification/comparison.

Attachment F4

(50) III. Financial Gap:

- 1.) Use the space provided to explain the need for NAP-leveraged dollars to complete the proposed program/project.
 - a.) Applicant is scored on a combination of (1) lack of surplus funds as demonstrated by organization's operating budget and (2) the soundness of the NAP project budget.
 - b.) If there is no expansion of services, document the change in your organization's financial picture that has prompted the application for NAP credits.

OR,
 - c.) If there is an expansion of services, demonstrate that the cost of services is commensurate with the amount of NAP credits requested.

G. Local Effort: (180 points) Attachments G1-G6 apply to this section
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(50) I. Community Support:

- (25) 1.) Demonstrate the support of knowledgeable authorities on the subject.
(colleagues in area of assistance/expertise)
- (25) 2.) Demonstrate the support of the community at large.
(neighbors, testimonials from beneficiaries, community members, local leadership, elected officials)
Attachment G1

(50) II. Planning and Preparation:

- (10) 1.) Provide a detailed timeline for implementation of the proposed project.
 - *Timeline should start July 2003 and end June 30, 2004.
 - *Timeline should include fundraising events and all events to the completion of the proposed NAP project.
 - *Funds must be leveraged and spent by June 30, 2004.**Attachment G2**
- (15) 2.) How does your organization intend to market NAP tax credits? (please provide an explanation of marketing tools, target audience)
Attachment G3
- (25) 3.) Please attach a pledge list of possible NAP donors and/or past donor lists (mailing lists do not count). **Attachment G4**

(50) III. Implementation Capacity:

(25) 1.) What programs or projects has your organization undertaken that would better prepare it for the proposed NAP program/project?
(Please include documentation of previous NAP awards, other state/federal grants, etc.) **Attachment G5**

(25) 2.) Does your organization have the administrative capacity and relevant skills to carry out the proposed program/project and to market NAP tax credits successfully? (Please provide credentials or resumes, etc.)
Attachment G6

(30) IV. Past Performance Evaluation:

1.) Applicant will be evaluated based on success with Neighborhood Assistance Program awards from the immediately preceding funding round

- If applying organization is a new applicant, full points will be awarded.
- If applying organization fully expended all tax credits of a 2002-2003 award, full points will be awarded.
- If applying organization failed to expend all credits awarded, the following point deductions will be taken from this section (maximum of 30):

0% - 1% of credits not expended:	No point deduction
2% - 10% of credits not expended:	5 point deduction
11% - 20% of credits not expended:	10 point deduction
21% - 30% of credits not expended:	15 point deduction
31% - 40% of credits not expended:	20 point deduction
50+% of credits not expended:	30 point deduction

NOTE: Remaining percentages will be based on monitoring results from the Office of Community Assistance of the Indiana Department of Commerce, and the Indiana Department of Revenue. Rounding of percentages will be used (ex. 10.2% remaining = 10%; 10.5 % = 11%).

H. Neighborhood Assistance Program Terms and Conditions:

The applicant agrees that the following terms and conditions shall be applicable to any Neighborhood Assistance Program (NAP) tax credits provided to the applicant.

1. The approved applicant shall make all project records available to the Indiana Department of Commerce (IDOC) and its agents and the Indiana Department of Revenue (IDOR) and its agents for a period of not less than five (5) years from their creation for any purpose, including without limitation, evaluation, monitoring, and audit by IDOC or IDOR or their agents.
2. The approved applicant shall have the sole responsibility for valuation of all property provided and services rendered under this program in accordance with 55 IAC 1-1.1-3, and shall be legally liable to IDOR for fifty percent (50%) of any inflated or excessive valuation, unless IDOR determines that mitigating circumstances should reduce or eliminate said liability.
3. The approved applicant agrees to receive written approval from IDOC prior to implementing any changes in project goals, objectives, budget, area to be served, or administrative structures.
4. The IDOC reserves the right to terminate any agreement with the approved applicant to offer tax credits to contributors, as well as the right to lower the minimum amount of tax credits which can be offered by the approved applicant if approved applicant deviates from its project plan, without approval of IDOC. Such deviations may include, without limitation, a commitment of contributions to the project less than the level outlined in its plan.
5. The IDOR reserves the right to review all contributions to projects administered by the approved applicant.
6. Approved applicants shall not discriminate against sub-recipients of NAP tax credits, employees, and applicants for employment because of the employee's age, race, sex, creed, color, or national origin. Violations of such requirement may result in disallowance of the tax credit.
7. The approved applicant agrees to implement the project between July 1, 2003 and June 30, 2004 in accordance with the State of Indiana's fiscal year.
8. The undersigned person represents that he or she has the actual authority to bind the approved applicant to the terms and conditions set forth herein.
9. The approved applicant agrees to be bound to the terms and conditions set forth herein and agrees to administer the proposed project in accordance with said terms and conditions, as well as with the attached proposal documents and the document entitled "Neighborhood Assistance Program Policy Statement".
10. The approved applicant agrees to comply with all applicable federal, state, and local laws, rules, regulations, or ordinances, whether currently existing or hereafter created, including, but not limited to IC 6-3.1-9 and 55 IAC 1-1.1.

Signature

Printed Name

Title

Date

Attest or Notary Signature

Printed Name

Title

Date

J. Certification of Applicant's Chief Elected Officer (Board President)

I certify that submission of this application has been duly authorized by the governing body of the applicant; that the applicant has the legal capacity to carry out the proposed program; and that the proposed program is designed to meet the community-economic development goals of the applicant's service area. I understand the Indiana Department of Commerce retains the right to award less than the requested amount of tax credits and make conditional awards.

Signature: _____ Date: _____

Printed name and title: _____

SAMPLE BUDGET PAGE: Do not include sample budget as the budget for your project
Examples of possible budget scenarios with suggestions on how to demonstrate unit cost and detail.

SUGGESTED SCENARIO ONE: SALARY FOR PROGRAM STAFF

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)
Case Manager	\$20,000	\$10,000	\$20,000	\$0

*Explanation:

Case Manager Total Salary: \$20,000

Unit cost hourly rate calculation: \$20,000/26 pay periods for 40 hours p/week = \$9.61 per hour.

NOTE: If the position is a salary without hourly pay scale, unit cost and hourly rate must still be calculated.

SUGGESTED SCENARIO TWO: BENEFITS FOR PROGRAM STAFF

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)
Case Manager Benefits	\$5,000	\$2,500	\$5,000	\$0

*Explanation:

Benefits Include:

FICA: \$3,000

Health: \$1,000

Life: \$1,000

NOTE: Benefits must be a separate line item from salary, as well as have all benefit costs included as seen above.

SUGGESTED SCENARIO THREE: CONSTRUCTION PROJECT LINE ITEM EXPENSES FOR WINDOWS

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)
Windows and Supports	\$40,000	\$20,000	\$40,000	0

*Explanation:

20 windows for building at \$1,500 per window = \$30,000

20 window frames (includes wood supports and all hardware) at \$500 per frame = \$10,000

NOTE: Line items for construction must be separate from other major expenses and line items. In this example, unit cost is cost per cost per window frame.

APPLICANT BUDGET:

A detailed explanation of each line item must be included. Detail unit cost of each position or unit of materials being paid with NAP-leveraged dollars.

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation:

A	B	C	D	E
Expense:	Project total:	NAP tax credits:	NAP leveraged dollars:	Other sources: (Please Specify)

*Explanation: